

# Polit-Barometer

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- The start of the new political season saw ministerial resignations, indicating that a hot political autumn is expected. Events in recent months have shown growing instability in governance, to which ministerial resignations are hardly likely to be the answer. The crisis with the Commercial Register, the bankruptcy of the insurance company „Olympic“, and poor-quality road construction are the result of complex problems, which will continue to generate such crises in the future. An accumulation of such scandals can lead to a gradual erosion in the support of the government.
- The decision of BSP to walk out of parliament, leaving only 20 of its own representatives, is contrary to the principles of parliamentarism, but it is a signal that the party's election campaign is under way. What is more, Kornelia Ninova openly stated that the party is to prepare for „2 in 1“ elections – on a parliamentary and on a European level.
- The incessant scandals in the United Patriots are eroding electoral support for the coalition and undermining confidence in the government. Although at this stage the leaders are sorting out their contradictions, tension between Volen Siderov and Valeri Simeonov shows that the future of the coalition is in question. With the approach of the elections for the European Parliament, it is not impossible that the coalition will collapse.

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## 1. The Political Situation

### 1.1 Internal policy

The political situation in the past quarter was marked by the ever more visible crisis of governance. Three months after the end of the Bulgarian presidency of the Council of the EU, the government cannot find a new topic on which to focus. A number of unusual events in August exacerbated the feeling of instability. In mid-August, the electronic system of the Commercial Register collapsed - an unprecedented crisis that led to a practical blocking of business for almost 20 days. It wasn't until a few days after the problem arose that the government commented on the situation. Prime Minister Borisov stated that several discs in computers had become defective, which had led to a crash in the system. He gave his assurance that they were working around the clock to deal with the incident and that the problem would be resolved in a few days, which did not happen. Minister of Justice Tsetska Tsacheva, to whom the Registry Agency responsible for the Commercial Register is subordinate, did not comment on the matter. Later it became apparent that possible problems in the register had been reported earlier in the year, but no adequate measures had been taken. The actions of the government in resolving the crisis demonstrated chaos, contradictory and delayed reactions, as well as the lack of a clear action plan.

The opposition reacted acutely to the crisis situation. BSP stated that it was an unprecedented crisis for which political responsibility had to be accepted and demanded the resignation of the entire government. The extra-parliamentary opposition in the face of Democratic Bulgaria asked for an external independent investigation to clarify the causes of the incident. In the public sphere, doubts were expressed about the possible deliberate deletion of data from the registry, which was disproved by the government. In order to alleviate the tension, Zornitsa Daskalova, the head of the Registry Agency, resigned. In the media, there were reports that she was approached by MRF member of parliament and media oligarch Delyan Peevsky, who had lobbied the government for her appointment.

During the time of the crisis with the Commercial Register, the insurance company "Olympic", registered in Cyprus, which has a branch in Bulgaria, was declared bankrupt. It turned out that nearly 200,000 Bulgarian citizens would be without civil liability insurance in the case of an insurance event. Despite the announcements of the government that the Bulgarian regulatory body, the Financial Supervision Commission (FSC), was not responsible for the case, the result was the resignation of Ralitsa Againe, Deputy Chair of the FSC, which is responsible for insurance companies. Againe stated that she bore no guilt and her resignation was an emotional gesture. Againe pointed out that last year Olympic had bought companies in Spain and Brazil for hundreds of millions of euros, which led to a lack of funds, and consequently to bankruptcy.

The crisis with the Commercial Register and the bankruptcy of "Olympic" prompted BSP to gather signatures for convening an extraordinary session of the National Assembly, which was held on August 21st. At this session Prime Minister Borisov was heard, and Ralitsa Againe's resignation was also voted on. In this way, the government took a defensive stance, and the opposition used the situation to call for resignations and early parliamentary elections, which intensified political tension at the start of the new political season.

This was not the last of the problems facing the government. In early September, near Svoge, a bus left the road and rolled over in the gully, leading to the deaths of 17 people. The crash led to an increase in public tension. It turned out that citizens have been signalling the dangerous area for years, due to the many accidents that happen there, especially in the rain, as was the case in the crash. A check revealed that the asphalt surface was substandard. However, at this stage, the only defendant is the bus driver who, in a 40 km/h speed limit was driving at 53 km/h, according to the investigating authorities. The company that laid this stretch - "Trace Group" has been alerted by the Road Infrastructure Agency to repair the road defects, but this has not been done. Citizens started protests and blocked the road to Svoge, demanding of the government that the stretch

of road be repaired and those people who are responsible be held accountable.

Public tension led to the decision of Prime Minister Borisov to demand the resignations of Minister of Regional Development Nikolay Nankov, Interior Minister Valentin Radev, and Transport Minister Ivaylo Moskovski. Prime Minister Borisov expressed regret that he had to part with the three ministers he had worked with for so long and who had achieved a great deal in their joint work. However, in the current situation, it was appropriate to bear political responsibility.

The resignations of the three ministers demanded by the Prime Minister have led to tension in the ruling coalition. Deputy PM and leader of NFSB Valeri Simeonov of United Patriots (UP) stated that he disagreed with the resignations, since they were not agreed with the Coalition Council, as was written in the coalition agreement. He said that the MPs of the NFSB would vote against the resignations in the National Assembly. According to Valeri Simeonov, Prime Minister Borisov makes decisions in an authoritarian manner, and does not consult his partners, which has become his modus operandi. Simeonov said his party would not tolerate such behaviour and would rethink whether to stay in the government.

The leader of "Ataka" Volen Siderov, chairman of the UP Parliamentary Group, stood on the side of Prime Minister Borisov. According to Siderov, the sovereign right of the Prime Minister is to seek resignations and to propose ministers. Siderov said that "United Patriots" could cope without Valeri Simeonov and even said he would ask for his resignation as Deputy Prime Minister at the meeting of the Coalition Council. In his opinion, Simeonov is bringing turmoil and tension to the tourist industry with his actions and he is working in the interests of certain business circles. The NFSB, in turn, stated that they would ask for a change in the leadership of the parliamentary group currently chaired by Volen Siderov. Scandals in the "United Patriots" are no surprise to anyone. Since the beginning of the term of the National Assembly, Volen Siderov and Valeri Simeonov have constantly been in conflict, which creates the preconditions

for instability and showing that the current majority stands on a fragile balance.

Members of GERB also voiced their disagreement with the resignations. The chairman of the parliamentary group Tsvetan Tsvetanov said that the decision about the resignations, and how many they would be, would be taken jointly with the coalition partners at a meeting of the Coalition Council. A campaign to support ministers has begun in the party. A number of GERB mayors expressed their support for the Minister of Regional Development Nikolay Nankov. National Assembly President Tsveta Karayancheva from GERB said that the resignations might not be supported in the National Assembly. The GERB reaction with regard to the resignations showed a division in the party, which has increased the sense of instability. Finally, after a coalition council meeting, tensions were smoothed out and Prime Minister Borisov announced the nominations for new ministers - for Minister of Interior: Mladen Marinov, currently Secretary General of the Ministry of Interior, for Minister of Transport, Information Technologies and Communications: Alexander Manolev, the current Deputy Minister of Economy, and for Minister of Regional Development: Petya Avramova, an MP from GERB. Only NFSB expressed a different position. The party stated that they would vote against resignations in the plenary hall, but that they would support the new ministers in the vote.

The crash near Svoge was just a reason for resignations. Over the last year, serious tension has mounted in a number of sectors, with the largest scandals being related to the interior and justice ministry. Minister Valentin Radev was definitely not coping in his job and provoking negative comments and reactions for his various actions and public appearances. His resignation is even overdue to a certain extent. Probably this is why Borisov is now backing a person in the system, because in recent years there had been mounting tension in the ministry, partly due to the fact that people outside the system who did not know the specifics of the job had taken on the role of leadership. If there was a scandal for which political responsibility had to be assumed, it was without doubt the crisis with the Commercial Register. The resignation of the Head

of the Registry Agency was the least that could be done in a crisis of this magnitude. Prime Minister Borisov initially spoke of other possible resignations of ministers, but later this idea was dropped. The most probable reason is that so many resignations at once would have created an additional sense of crisis in government.

On the day when the National Assembly was to vote for the changes in the government, everyone was surprised to find out that the President had not yet signed the decree to dismiss Mladen Marinov as Chief Secretary of the Interior Ministry. For this reason the vote was postponed. The presidency said that the coordinating procedure when a decree of the President was required had not been fulfilled, as required by the Rules of Procedure of the Council of Ministers. President Radev said he would not take decisions regarding personnel under pressure and urged the government to observe the law. Meanwhile, due to a publication in Capital newspaper, Alexander Manolev who had been nominated for Minister of Transport decided to reject the offer of the post. The publication states that in the past Manolev had joint ventures with people from the SIC security group, but also that there were cases of traffic incidents and hooligan acts that he had allegedly committed. Manolev said everything about these cases was clear and that the court had proved that he was not guilty. But he decided to withdraw so that there was no speculation on the subject, and which could detriment the cabinet somehow. Prime Minister Borisov accepted Manolev's arguments and presented a new proposal for the Minister of Transport - Rosen Zhelyazkov, Chairman of the Commission for Regulation of Communications and former Secretary General of the Council of Ministers.

After the decree for the dismissal of Mladen Marinov was signed by the President, the shuffles in the government were voted on by the National Assembly. BSP and MRF voted against the changes. As they had said earlier, MPs from the NFSB voted against the resignations but supported the new ministers.

During the debates in the National Assembly, BSP leader Kornelia Ninova said these resignations did not solve anything. She repeated her idea about

the need for early parliamentary elections and a radical change in the model of governance. GERB leader Mustafa Karadayi said GERB themselves were guilty of their failure, with the proposed new ministers only postponing the inevitable - early parliamentary elections. In his words, the three resignations were only aimed at curbing the tension. Karadayi accused GERB of giving power to populists and nationalists. In this way, GERB has destroyed the little remaining trust in the institutions, and this has led to a crisis of statehood and a retreat from European values.

The tension between the President and the government intensified due to the government's decision that the Bulgarian delegation for the annual session of the UN General Assembly should be led by the Prime minister and not by the President. Borisov led the delegation way back in 2010. Since then Bulgarian presidents have been those who have taken part in the forum. The presidency said it was the Cabinet's decision, for which their agreement had not been sought. The foreign ministry said the President had been informed that talks had been held between the two institutions' political cabinets about who should lead the Bulgarian delegation. The government argued that it was appropriate to have an alternation between the President and the Prime Minister.

The disputes over the decree on Mladen Marinov's dismissal became the reason for a new exchange of comments between the President and the Prime Minister. President Radev said that the candidacy of Mladen Marinov as minister did not meet public disapproval. Borisov said he was not fighting the presidential institution, but that Radev constantly criticized GERB, which is not the role of the president in the capacity as unifier of the nation. Borisov pointed out that the President should be equally distant from all parties, so he did not accept such criticism. If, however, Radev wanted to work as executive, Borisov urged him to "make a party, head the BSP, go to elections and pick the ministers if he won." Borisov stressed that up to now he has not heard Radev criticising BSP, despite the scandals around the party, such as the one with Bencho Benchev, a municipal councillor from the BSP group in Bourgas.

The friction between the President and the government is also evident from the difficult reconciliation of the rotation of Bulgarian ambassadors and diplomatic representatives abroad. The President has rejected certain suggestions by the government on the grounds that he wants to restrict politicians at the expense of career diplomats.

After the National Assembly rejected the President's veto on changes in the Code of Administrative Procedure, the head of state turned to the Constitutional Court. BSP took a similar step. Among the reasons given by the President, it was stated that increasing the fees would make it more difficult to appeal against administrative acts, and therefore one's constitutional right to protection. The president also disputes the abolition of the cassation instance in some laws such as the Access to Public Information Act, the Family Assistance Act for Children, the Social Security Code, the Law on Legal Aid, etc. BSP appealed to the Constitutional Court with similar arguments. The request points out the danger of depriving citizens of access to justice, hence violating the rule of law. Moreover, in their arguments, the Socialists indicated that the increase in fees would make this inaccessible for the poor.

From the domestic political point of view, President Radev's address to the nation on the occasion of the beginning of the new political season was a source of interest. Radev drew attention to the crisis with the Commercial Register and the bankruptcy of the insurance company "Olympic" as incidents that are a breakthrough in statehood. In his address, the President pointed out that legality and transparency are an important prerequisite for every investor. That is why we should not be surprised at the collapse in foreign investment that has been observed over the last year. Radev reminded his audience of the veto he imposed on the privatisation law at the end of last parliamentary session, which was backed by the National Assembly, saying that such lobbying texts eroded the already low confidence in the parliament. Scandals in the country overshadow the real problems facing society that are on the agenda. In the words of the President, resignations are no longer a solution, just avoidance of responsibility. The

problem in the state is not related to the people but to the system, and new elections in the immediate future will not open up a new perspective. Radev called on the government to act responsibly by focusing on the most urgent issues in society. In his words, citizens expect from the parliamentary and extra-parliamentary opposition the "accelerated forming of a convincing alternative to the current government". According to Radev there are two defects in the system in the country - injustice and corruption. He is of the opinion that if the political class fails to deal with them, citizens will look for new ways to resolve them.

At the end of July, the Constitutional Court issued a decision regarding the question the government had asked about whether the Istanbul Convention was in line with the constitution. Eight of the court's members are of the opinion that the convention is contrary to the constitution of the country. The remaining four judges signed the decision with reservations. According to the constitutional judges, the Convention contains a text that would require that procedures in the Republic of Bulgaria provide for legal recognition of gender other than biological, contrary to the Constitution. The Constitutional Court pointed out that the declared objectives of the Convention fully comply with the basic constitutional principles of the Republic of Bulgaria, since the preamble to the Constitution emphasises the validity of universal values, including humanism, equality, justice and tolerance. Similarly, the Constitution also introduces an explicit constitutional ban on any discrimination based on sex. With respect to the term "gender", it is stated in the decision that it reflects certain social and cultural notions of men and women formed in a given society at a certain point in time, but that these ideas are developing. It may therefore be possible to reach a point where "biologically determined gender characteristics are irrelevant, and only gender-based self-identification is important."

At the end of September, rising global oil prices led to the demand of Bulgargaz for an increase in the price of gas, which the Energy and Water Regulatory Commission accepted. Thus, as of October 1, the price of gas will rise between 7% and 14% for different consumers. This will lead to higher costs

for business, and rising costs for central heating and other services. Along with this, there is an increase in the price of bread because of the higher grain prices. The issue of price rises has led to reactions on the part of political parties and seems to be one of the issues that will determine the political situation in the country in the coming months.

## 1.2 Foreign and European policies

Early in September, Prime Minister Boyko Borisov was on a visit to Israel, where he met with fellow politician, Benjamin Netanyahu. The occasion for the Bulgarian Prime Minister's visit was to attend the World Conference on Counter-Terrorism. During the visit, Borisov announced the news that from January 1<sup>st</sup> 2019, Bulgaria will open a general honorary consulate in Jerusalem. Prime Minister Netanyahu stated that he hoped the opening of an honorary consulate would be the first step in moving the Bulgarian embassy from Tel Aviv to Jerusalem. Borisov invited his counterpart to visit Bulgaria and expressed readiness to hold a joint meeting of the two governments at the end of the year.

At the beginning of September, India's President Ram Nath Kovind was on an official visit to Bulgaria. This was the first visit of an Indian President to the country for 15 years. President Radev said that this visit is of the utmost importance for enhancing dialogue and cooperation between the two countries in a wide range of fields - trade, investment, tourism, education, cultural exchange, etc. The Bulgarian head of state announced that Bulgaria would support India in its efforts to take its appropriate place in the UN system and the Security Council in a future reform of the Organisation. A number of bilateral cooperation documents were signed, such as the Science and Technology Cooperation Program for the period 2018-2021, a memorandum on cooperation in the field of tourism, and a memorandum of Cooperation between the Institute for Nuclear Research and Nuclear Energy and the Global Centre for Nuclear Energy Partnership. The two presidents discussed the possibility of a direct airline between the two countries. The Indian president came to the country with a large business delegation, which took part in a Bulgari-

an-Indian business forum, attended by more than 300 companies from both countries.

In mid-September in Riga, President Radev took part in the annual meeting of the presidents of the Arraiolos group. During the forum, the President discussed the EU migration policies and the need for greater solidarity and support for countries at the external borders of the Union with his Italian counterpart Sergio Mattarella. President Mattarella accepted the invitation of the Bulgarian head of state to visit the country for the opening of a cultural and information centre of Italy in Bulgaria.

In his speech at the Riga forum, the Bulgarian president stated that the future of the European Union depends on enabling the involvement of citizens in making decisions that are important for Europe. According to Radev, economic and social rapprochement between "old" and "new" EU member states is a necessary precondition for preserving the Union's potential for being united and acting as a community. Radev pointed out that the EU must be united and consolidate its values in neighbouring regions, otherwise sooner or later it risks starting to import models from outside the Union. In his words, this also necessitates integration in the field of foreign policy and diplomacy, and the building of an adequate defence capacity with which the EU would safeguard its interests.

The decision of the European Parliament to initiate a procedure for withdrawing Hungary's voting rights led to mixed reactions among Bulgarian politicians. After a proposal by the United Patriots, the government unanimously decided at a meeting that a position should be prepared in support of Hungary, a task which was entrusted to the Ministry of Foreign Affairs. The government's decision was announced by Deputy Prime Ministers Simeonov and Karakachanov of the United Patriots. At the informal EU Council meeting on Brexit, Prime Minister Borisov commented on the cabinet's decision in a way that showed uncertainty in Bulgaria's position. According to Borisov, this act of the government does not have a legal but only a moral value, because the topic of voting in the Council for the withdrawal of the Hungarian vote is not yet on the agenda. Borisov said that this decision was

for some future juncture, should there be such a vote. The Prime Minister said he disagreed with some of Orban's policies, such as the closure of universities - a position he had oftentimes shared with his Hungarian counterpart. In addition, Borisov stated that there was no reason for Orban to worry about Frontex acting on Hungarian territory. According to Borisov, this mechanism only strengthens the boundaries of the Union, and should not be seen as a withdrawal of sovereign rights at national borders. Borisov's partners from the United Patriots expressed their astonishment at the Prime Minister's speech. Krassimir Karakachanov stated that Borisov had voted "with both hands" in support of Hungary and did not understand the assertion that this decision has no legal value. BSP leader Kornelia Ninova stated that Borisov holds a dual position - one in the country and a different one in Brussels. Borisov replied to Ninova that all MEPs of GERB had voted in favour of Hungary, while those of the BSP had been in favour of sanctions. Therefore, according to Borisov, BSP was the one showing a dual position.

### 1.3 Refugee crisis

In the last month there has been some increase in migratory pressure on Bulgaria from Turkey. This was announced by Deputy Prime Minister and Minister of Defence Krasimir Karakachanov. He said that in a period of 40 days, 222 people had tried to cross the border, but that their efforts had been thwarted. Karakachanov pointed out that 100 new jeeps would be bought for guarding the border. He stated that the army was actively assisting border police, with plans having been developed to mobilise up to 2700 troops with nearly 500 units of equipment to support the efforts of border police to repel migrants in the case of mass attempts to cross the border.

## 2. State and development of the major political parties

### 2.1 Social Democratic and other centre-left parties

#### 2.1.1 BSP

At a national meeting at the end of July BSP presented the document "Vision for Bulgaria". It has a volume of about 40 pages and is a long-term programme for government. The idea is for the programme to be raised for general public discussion, and thereafter be accepted as an official document by the party congress.

In the vision it is pledged that the minimum wage in the country should be 60% of the average for the previous year. The recalculation of all pensions is also envisaged, as is removing the maximum insurance threshold, and the state assuming the social security contributions of working mothers with children up to 7 years of age. With regard to tax policy, it is envisaged that VAT rates should be reduced for basic foods and medicines, and also that the flat rate tax should be eliminated, and progressive taxation introduced.

It is also stipulated in the document that the strategic enterprises placed in the privatisation list, such as Bulgarian National Railways, Bulgarian Energy Holding, airports, ports, post offices, water and sewerage infrastructure, etc., should not be granted a concession. Profits from state-owned enterprises should be collected in a state-owned investment fund. The programme also plans to develop priority industries such as electronics, information technology, agriculture, food production, pharmacy, chemistry, etc. The document sets out a balanced development of the regions and regionalisation of the economy in terms of resources. A special programme for the development of the poorest regions in the country, such as Northwestern Bulgaria, and the Strandzha-Sakar region, is envisaged. With regard to healthcare reform, the idea is that state and municipal hospitals should not be commercial companies, as is now the case by law.

At the opening of the autumn parliamentary session, BSP leader Kornelia Ninova said that parlia-



ment was beginning its work in an atmosphere of serious social tension, a government crisis and a crisis in the ruling majority. From the parliamentary tribune, Ninova stated that BSP MPs were going back to grass roots to hear the citizens, and only 20 people would remain in the National Assembly. In her words, this parliament had no more to give and had to go to the polls early for parliamentary elections - the sooner they were, the better it would be for the country. Ninova pointed out that the parliamentary majority is rocked by constant scandals, which erodes statehood and intensifies the processes of crisis in the country. Ninova said that there is a struggle between the lobbies in GERB and this was evident from the contradictory attitudes regarding the ministerial resignations. Ninova stressed that low incomes and poverty remain a major problem in the country and that they are the real threat to national security. She stated that the BSP would seek broad consensus on issues related to the demographic crisis and the development of the economy. The goal is for the party to organise discussions around the whole country in order for the final version of "Vision for Bulgaria" to be prepared.

As a result of the price increase of bread, BSP asked that the amount of VAT charged on its price should be reduced to 5%. To this end, the BSP will submit this request regarding tax laws when discussing next year's budget. With the increase in the price of gas from October 1, even higher commodity prices are expected, and BSP stated that differentiated VAT should be introduced for basic necessities. According to Kornelia Ninova, the VAT cuts must go hand in hand with increased control to prevent speculation. The party would also discuss the proposal to reduce VAT on medicines and baby foods. It is envisaged that the establishment of a fund to support Bulgarian production and Bulgarian enterprises will be included on the draft budget of BSP. With regard to the development of agriculture in the country, Kornelia Ninova stated that BSP would propose the setting of a ceiling on subsidies and their redirection towards the production of fruit and vegetables. The reasons for this are that, according to Ninova, "10 families in the country receive 75% of the subsidies in agriculture, namely for cereals, which damages the

others". In her words, it is not logical, in a land which is fertile for growing fruit and vegetables, for the country to import everything from abroad.

BSP made changes in the leadership of its parliamentary group. In place of Zhelyu Boychev, who announced that he would withdraw from politics, Hristo Prodanov was elected deputy chairman of the parliamentary group. The parliamentary group will also have a new secretary. This is Irena Anastasova, who is replacing the current secretary Georgi Tarnovaliyski.

The parliamentary group of the Bulgarian Socialist Party (BSP) nominated the lawyer and member of BSP Yanaki Stoilov as a constitutional judge from the quota of the National Assembly. This year Tsanka Tsankova's mandate comes to an end in the parliamentary quota. Stoilov was a long-standing member of the National Assembly, and a member of the Grand National Assembly, which adopted this constitution. Stoilov, however, rejected the nomination, on the grounds that he did not want to take part in a presidential election.

August saw the arrest of businessman Bencho Benchev, a municipal councillor in Bourgas from the BSP group. Benchev's arrest was part of an action to detain an organised criminal group associated with Dimitar Zhelyazkov, known as Mityo the Eyes, for drugs and racketeering. The prosecution claimed that Benchev had helped Mityo the Eyes to hide in a hotel in Istanbul after an Interpol red notice had been issued to search for him. GERB used the case to attack BSP, saying that there were individuals among their ranks who have been charged with hiding people from the underworld. BSP Municipal Councillor Chanko Mirchev stated that Benchev had donated tens of thousands of leva to the local BSP structure in Bourgas during the last electoral campaign. This was the reason for GERB to blame BSP for the party having cash under the counter, because an individual can donate no more than 10,000 leva in one calendar year. The BSP leadership were quick to refute the news that Benchev had funded the party, saying that reports could be seen on the website of the National Audit Office. BSP distanced themselves from Benchev and expelled him from his group of municipal councillors in Bourgas.

At the end of September BSP submitted documents to the CEM to obtain a license to set up a TV channel. It will be called Bulgarian Free Television (BSTV).

### 2.1.2 Other centre-left parties

Of the smaller left-wing parties, only ABV has shown greater activity over recent months. After the change in the leadership of the party, which was headed by Rumen Petkov, there has been a certain amount of mobilisation, not only in terms of media appearances, but also initiatives and political positions.

Also during this quarter, one of the priority topics for ABV was related to the desire for the Belene Nuclear Power Plant to be restarted and for efforts to be made by the government to find a strategic investor for the realisation of the project.

At the initiative of ABV, a meeting was held in the Council of Ministers between ABV leader Rumen Petkov, former President Georgi Parvanov and Prime Minister Borisov. The main subject of the talks was Macedonia in the context of the change of the name of the country. ABV again expressed concerns that the name Northern Macedonia created preconditions for claims upon Bulgaria, and this issue should be clarified in talks between the Bulgarian and Macedonian governments.

Rumen Petkov also commented on the changes in the government and more particularly those in the Interior Ministry. In his words, the resignation of Minister Radev had long been demanded by the Prime Minister. Petkov evaluated Mladen Marinov's election as a new Minister of the Interior as a good solution because he is a man of the system, who knows the nature of the work perfectly.

## 2.2 Centre-right parties

### 2.2.1 GERB

The broadcasting of contradictory signals from the government regarding the resignations of the three ministers, requested by the Prime Minister,

further created the sense of crisis and instability in government. This is due to the increasingly visible internal conflict in GERB and especially between Prime Minister Borisov and the chairman of the parliamentary group Tsvetan Tsvetanov. After the Prime Minister asked for the resignations of the ministers, the GERB parliamentary group expressed reservations and there was even the hint of the possibility of the resignations not being voted, which would in itself have meant questioning the authority of the Prime Minister.

GERB's desire as a party was to demonstrate to the public that ministers do not leave because of unfinished work or their mistakes, but because they can be politically responsible even when, in circumstances beyond their control, tension had been created following the Svoge tragedy. Despite this thesis being published, the reasons for the reaction of the parliamentary group were due to a struggle of various lobbies in the party, which was also seen in the withdrawal of Alexander Manolev's candidature. Tsvetanov denied that there was any conflict with the Prime Minister. According to him, the political opponents of the party had been talking about this for years, but there was no truth in such a thesis.

At the beginning of the new political season Tsvetan Tsvetanov announced the priorities of GERB from the podium of the National Assembly. The party will focus on continuing the reform of the judiciary and developing e-Justice, affirmation of judicial self-government, and applying an up-to-date court card to overcome regional imbalances in caseload and case distribution. Amendments to the Penal Code and the Domestic Violence Act are envisaged to build on the prevention of and fight against domestic violence and the protection of the rights of women and children.

In terms of budget and finance, GERB will propose changes in tax legislation. An amendment is foreseen in the Personal Income Tax Act, which will reduce the administrative burden and improve tax benefits for children with disabilities and young families.

The parliamentary group of GERB is planning to submit the bill on the Disability Act to parliament

in October 2018. By means of a completely new regulatory framework mechanisms will be provided to guarantee the rights of people with disabilities. Conditions and incentives will be created for people with disabilities to enter the labour market, receive payments for work activity and be integrated into society.

GERB announced their nomination for a new constitutional judge from the quota of the National Assembly, who should be elected very soon. This is Krassimir Vlahov, who was deputy chairman of the Supreme Court of Cassation, but who resigned because of disagreement with the modus operandi of its chairman Lozan Panov. Tsvetan Tsvetanov said they were putting forward this candidacy so as not to be accused of political appointments, and Vlahov was a proven professional. With this candidacy, rumours were finally quashed that Minister of Justice Tsetska Tsacheva would be the nominee of the ruling party to be the constitutional judge. Vlahov's candidacy will be supported by the United Patriots.

### 2.2.2 Other centre-right parties

Despite the unification between DSB and "Yes, Bulgaria" in Democratic Bulgaria, again during this quarter the formation showed no electoral growth. Sociological surveys show that about 2% of Bulgarian citizens would vote for Democratic Bulgaria. The messages during these quarters were again related to several areas: the fight against corruption; the judicial reform; Russia as a threat to Bulgaria and the EU; and criticism of those in power for their rapprochement with populists in Europe and their support for the Orban regime.

After the resignation of Bozhidar Lukarski, at the beginning of July the UDF chose the hitherto deputy chairman of the party Rumen Hristov to be its new leader. 369 MPs voted for Hristov and 322 were in favour of his opponent Anton Koychev. Rumen Hristov has been a member of the UDF since 1990. He was Minister of Agriculture in the caretaker government of Stefan Sofianski in 1997 and a presidential candidate in 2011, proposed by the Blue Coalition.

The new UDF leader said he would work to consolidate the party and revive the UDF, which would become an attractive centre for unification of the right-wing space in the country. For now, it is unclear what kind of proponents for the unification of the right the new UDF leader will seek. For some months, the idea has been disseminated that there could be a coalition between NSFB of Valeri Simeonov and the UDF in the European elections. These rumours seem more likely in view of the deteriorated relations in the "United Patriots" coalition and Valeri Simeonov's stated intention not to participate in a coalition for European elections along with his current partners from "Ataka" and VMRO.

Another key figure in the right-wing political space, Petar Moskov, Minister of Health in the second cabinet of Boyko Borisov, announced his intention to create a new project on the political right. This means that in the coming months on the eve of the elections for the European Parliament we will witness new coalitions on the right, outside the form of "Democratic Bulgaria". This, however, makes the chances of right-wing formations succeeding in the elections problematic, as evidenced by the sociological studies at this time.

## 2.3 Centrist parties

### 2.3.1 MRF

At the beginning of the new political season MRF chairman Mustafa Karadayi pointed out that changing ministers and early elections does not make sense if there is no vision of "how democratic governance mechanisms can be restored and how the authority of statehood can be rebuilt." He yet again emphasised the erroneous model of governance as a coalition formula. According to him, GERB has taken the country away from European values and has become hostage to national-populism. Thus, the government is doomed.

In mid-September, honorary chairman of MRF Ahmed Dogan bought the Thermal Power Plant (TPP) "Varna". This asset, owned by CEZ, was sold at the end of last year to the family of the former minister in the Oresharski office, Danail Papazov.

The Varna TPP was closed in 2015 because CEZ considered it to be economically unprofitable, with it only generating losses. Days before Dogan bought TPP "Varna" and several power stations associated with Hristo Kovachki, they had won tenders of the energy system operator for a cold reserve from August 1<sup>st</sup> until the middle of next year. Thus, the power plant bought by Dogan will receive 27.4 million levs.

Regarding Dogan's deal, MRF leader Mustafa Karadayi stated that the honorary chairman of the movement has not been involved in active politics for more than 6 years and, as every Bulgarian citizen, is free to engage in economic and remunerative activity.

### 2.3.2 "Volya" ("Will" in Bulgarian)

Over the last few months, "Volya" has been transformed into a populist and Eurosceptical party - a strategy that its leader, Veselin Mareshki, probably thinks will be successful in the run-up to the forthcoming elections for the European Parliament. "Volya" has never been able to build a sustainable and recognisable image for a one-year stay in the National Assembly, due to its constant opportunism and taking different positions depending on conjunctural factors. This has quite naturally resulted in a drastic reduction in support for the party, which at this time would hardly have the chance of entering the National Assembly again. Sociological polls over the past few months suggest that just over 1% of voters would vote for the party.

Mareshki announced his support of Viktor Orban, and even sent him a letter of support. He stated that "Volya" is not against the EU, but against the policy of Brussels that "is ruining democratic Europe". It is therefore unjust for governments that want to protect their borders from migrants to be punished.

Mareshki described the resignation of the three ministers after the Svoge crash as a dignified act of people who were not directly to blame for what had happened, but assumed political responsibility.

## 2.4 Nationalist parties

### 2.4.1 "United Patriots"

Relationships between party leaders in the "United Patriots" during this quarter again remained extremely acute. The constant conflicts between "Ataka" leader Volen Siderov and NFSB leader Valeri Simeonov are eroding the credibility of the formation. VMRO leader Krasimir Karakachanov is trying to stay out of the conflict and play a balancing role in the complicated relationships with his partners. As has been mentioned, the resignations of ministers led to an acute reaction by Valeri Simeonov, who accused Prime Minister Borisov of taking authoritarian decisions without considering his partners. Volen Siderov stood on the side of the Prime Minister and said he would demand the resignation of Valeri Simeonov as Deputy Prime Minister. As before, in spite of the cutting repartee and scandals, in the end the situation was normalised. At a meeting of the "United Patriots", the position of Volen Siderov as chairman in the parliamentary group was reaffirmed.

The relations in the "United Patriots" are having a negative impact on the electoral support of the formation. In the past election, the party came third, and now most of the polls and give it fourth place after the MRF.

Changes in the government are hardly likely to lead to more relaxed days for the running of the country. Since the beginning of the term of office, we have witnessed scandals between coalition partners which will continue in the future and will be exacerbated with the approach of next year's European elections. In fact, we can say that we are already in pre-election campaign mode and parties are getting into a competitive mode. As has already been pointed out, Valeri Simeonov has said on several occasions that his party will not participate in this format in the upcoming elections for European Parliament. This, however, makes the patriots' chances of surpassing the electoral barrier problematic. In the run-up to the elections one cannot rule out new coalition formats among nationalist parties or a unification of some of them with traditional right-wing parties such as the UDF, for example, as has already been mentioned.

## 2.5 Positions of Political Parties on Foreign and European Policies

The European Parliament's decision to launch a procedure for the withdrawal of Hungary's vote was one of the topics that polarised political reactions in the country. During the vote in the European Parliament, the decision for sanctions against Hungary was supported by only five MEPs from Bulgaria - Filiz Hyusmenova, Ilhan Kyuchyuk and Iskra Mihaylova from MRF, Sergej Stanishev from BSP and Svetoslav Malinov from DSB. Those against were GERB MEPs - Assim Ademov, Andrey Kovachev, Andrey Novakov, Emil Radev and Vladimir Urutchev, and also Nikolay Barekov from "Bulgaria without censorship", Angel Djambazki from VMRO, and Momchil Nekov from BSP. Eva Maydell from GERB abstained, while Nedzhmi Ali (MRF) and Peter Krumbulsev and Georgi Pirinski (BSP) did not take part in the vote.

Krassimir Karakachanov, the leader of VMRO, Deputy Prime Minister and Minister of Defence, said Bulgaria should definitely stand on the side of Hungary and Victor Orban. According to him, issues of national sovereignty are concerned and the EU cannot turn into a Soviet Union. Karakachanov is of the opinion that Viktor Orban is defending the national interests of Hungary, and that is the job of each prime minister. In his words, Hungary does not deserve to be punished, and this is being done solely for ideological reasons with the aim of seeking dividends before the upcoming European elections. According to Karakachanov, the EU is an alliance of sovereign states, not provinces run by clerks that no one has elected.

Kornelia Ninova stated that the withdrawal of the Hungarian vote was wrong, and it was a way of dividing Europe into different groups of countries. And this would not lead to a united and strong Europe. She therefore urged the Bulgarian government to support Hungary when it came to a vote in the EU Council. This position of the BSP and its leader is yet another discrepancy with the positions of the PES, such as we have observed with regard to the Istanbul Convention.

"Democratic Bulgaria" condemned the government's decision to stand on the Hungarian side

in the dispute with Brussels. In a declaration from the formation they stated that Bulgaria faces a key choice - whether to stand on the side of freedom and democratic values or stand on the side of populism and nationalism. The position also states that the government is showing dependence on the Kremlin, and that Borisov "is lining up with Putin's poodles in the EU, with Orban, Le Pen and Salvini." "Democratic Bulgaria" said that with their vote, MEPs from GERB supported the corrupt model of Orban's rule and his resistance to the rule of law.

The subject of the country's entry into the eurozone, which became topical following the government's request at the beginning of summer to ask for Bulgaria's entry into the ERM 2 mechanism, has also had mixed responses. During the forum where "Vision for Bulgaria" was presented, Kornelia Ninova said that the BSP should rethink the country's entry into the eurozone. According to Ninova, the country and the banking sector are not yet ready. She called for a debate on how the adoption of the euro would affect the country and economic development. For this reason one should not be hasty with such a decision. This is another issue where there is a discrepancy between GERB and the right-wing parties and the BSP.

## 3. Public opinion

A study by the Research Centre "Trend", conducted in mid-September, shows that electoral attitudes to parties remain relatively stable. GERB continues to be the first political power, since 22.9% of the electorate would vote for it. The main opposition party BSP is second with 19.7%. DPS ranks third with 6.4%, and behind them are the "United Patriots" with 5.7%. These are the four formations that pass the 4 percent electoral barrier. 2.2% of the voters would vote for Democratic Bulgaria, 1.5% for "Volya", and 1.3% for the Reformist Block.

Half of the respondents believe that there is no need for early parliamentary elections in the country and 30% are of the opposite opinion.

The study shows a decrease in confidence in all institutions. 69% rated the work of parliament

negatively, and only 20% evaluated it as positive. The work of the government is approved of by 28% of the respondents, and 61% do not approve of it. Unlike parliament and government, the president enjoys the approval of 59% of voters, while 28% assess his work negatively.

#### 4. Main Conclusions and Forecasts

1. The beginning of the new political season got under way with ministerial resignations, which shows that we are expecting a heated political autumn. Events in recent months have shown growing instability in governance, which can hardly be overcome with ministerial resignations. The crisis with the Commercial Register, the bankruptcy of "Olympic" and poor road construction are the result of complex problems, which will continue to generate such crises in times to come. Accumulation of such scandals can lead to a gradual erosion in the support of the government. What is more, GERB have been in power for almost 10 years now, inevitably leading to wastage. Changes in the individuals in power are hardly likely to lead to more relaxed days for the government. Since the beginning of this mandate, we have witnessed scandals between coalition partners, which will continue in the future and will become more acute with the approach of the European elections next year.

2. The decision of BSP to leave parliament, leaving only 20 of its representatives, is contrary to the principles of parliamentarism, but it is a signal that the election campaign of the party is under way. Moreover, Kornelia Ninova openly stated that the party will be preparing for "2 in 1" elections - the parliamentary elections along with the European elections. The sense of this decision to leave the parliament and what positives it will bring to the party is quite another matter. "Vision for Bulgaria" is an attempt by BSP to define an alternative to the current ruling party, but they have a much more important issue - finding partners to implement their programme. It is obvious that the party does not have the potential to be in power on their own, and sociological research shows this clearly. Expectations in the coming months are that BSP will become radicalised as an opposition. This was also

seen in the recent events with the failed quorum in the National Assembly, when the BSP and MRF MPs who were in the hall refused to register to show the weakness of the parliamentary majority.

3. The smaller left-wing parties, apart from ABV, are not to be seen on the electoral map. It seems that there are no real chances of another left-wing formation outside BSP doing anything more significant, such as an electoral breakthrough. Therefore, the only correct step is finding a dialogue with the BSP, which is hardly feasible at this stage.

4. Internal contradictions in GERB are becoming increasingly evident. The tensions between the Prime Minister and the party's parliamentary group regarding the government's changes have shown that domestic lobbies in the party are fighting for positions. Despite this, we can hardly talk about centrifugal processes at GERB. Over the years, GERB has proven itself to be a well-oiled electoral machine that relies on well-established grass roots organisations and established clientele networks. GERB's relations with their coalition partners are a constant challenge, which takes up substantial resources and energy, but at least at this stage contradictions are resolved for the sake of preserving power.

5. The constant scandals in the "United Patriots" are eroding electoral support for the coalition and undermining confidence in the government. Even though at this stage the leaders overcome their contradictions, tension between Volen Siderov and Valeri Simeonov shows that the future of the coalition is in question. With the approach of the elections for European Parliament, it is not out of the question that the coalition might collapse, even more so since Valeri Simeonov has repeatedly stated that NFSB will not take part in the elections together with their current partners. And this can mean only one thing - reformatting the parliamentary majority or early parliamentary elections.

6. The DPS seems to be more consolidated, and the challenge of DOST in the elections last year seems more like a memory. However, the image issue with the MRF remains and there are no signs of this being resolved. In public consciousness Delyan Peevsky has become a symbol of be-

hind-the-scenes activity in the country and a constant figure of magnitude in the party. The latest events surrounding the honorary chairman of the Ahmed Dogan movement, who bought the Varna Thermal Power Plant, are indicative that the MRF is a complex organisation that combines business and politics. This image makes the party an undesirable partner for other parties.

7. In recent months, "Volya" has been transformed into a populist and Eurosceptical party. The decline in electoral support for the party is significant, so its leader Veselin Mareshki is looking for a

new electoral niche. It seems that in the elections to the European Parliament "Volya" will be based on populism and nationalism. But this is hardly likely to bring them success.

8. The smaller right-wing parties remain with little electoral influence. Despite the unification between DSB and "Yes, Bulgaria" for several consecutive months there has been no electoral growth. The other smaller right-wing parties further fragment the political space on the right, making it problematic for them to pass the electoral barrier of the elections for European Parliament.

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